



MEMORANDUM



ATTACHMENT A

DATE: September 2011

TO: State Employees Eligible for Dental, FlexElect, or Consolidated Benefits

FROM: Department of Personnel Administration
Benefits Division

SUBJECT: 2011 Programs, 2012 Dental and Vision Plan Premiums, and 2012 CoBen Allowance Amounts

Open Enrollment for Dental, FlexElect, and Consolidated Benefits (CoBen) is October 10, through November 4, 2011. If you want to enroll in these benefit programs, or make a change to your current enrollment, contact your personnel office for the necessary forms.

Open enrollment forms must be signed and submitted to your personnel office no later than November 4, 2011. All open enrollment actions will be effective January 1, 2012.

You don't need to submit anything if you're not making any changes in your dental coverage or cash options. Permanent Intermittent employees who want to continue receiving the cash option must re-enroll. If you have a FlexElect reimbursement account and want to participate again next year, you need to re-enroll during open enrollment.

If you enroll in a FlexElect Reimbursement Account, FlexElect Cash Option, or CoBen Cash Option during the open enrollment period, or if you are automatically re-enrolled in the FlexElect/CoBen Cash Option, you have until December 31, 2011, to cancel your enrollment or make changes.

Dependent Coverage for Children up to the Age of 26

If you have children, they are eligible for dependent coverage with the Health, Dental, and Vision programs up to the age of 26.

Who is eligible?

Eligible children are defined as natural, adopted, step, or domestic partner's children up to the age of 26.

Who is not eligible?

The spouse of your adult children is not eligible for dependent coverage.

When can I enroll my dependent?

You can enroll your children up to the age of 26 during this Open Enrollment period. The effective date of dependent coverage will be January 1, 2012.

How do I enroll my dependent?

To enroll your child/children in dependent coverage, contact your personnel office. ***Please be prepared to provide your child's birth certificate and Social Security number.***

What is the cost of coverage?

When you enroll and add a dependent (regardless of age), the party rate will change from a 1-party premium to a 2-party premium. If you are enrolled in a 2-party plan, adding one or more dependents will change your premium to a 3-party premium. The total premiums are shown in the enclosed rate sheet. Your personnel office will be able to assist you in determining your portion of the health premium. Your vision premium is unaffected as the premium is the same regardless of the number of people on your vision plan.

For more information

If you need further assistance, please contact your personnel office. For up-to-date information about Health Care Reform, please refer to the National Health Care Reform page at CalPERS On-Line at www.calpers.ca.gov.

DENTAL BENEFITS

Your dental plan options are listed on page 3. Contact your personnel office for a brochure, list of participating dentists, and cost comparison, or call the dental plans. You may also obtain brochures and listings of participating dentists by accessing each plan's website at the addresses listed below.

Retroactive premiums for mandatory cancellations and/or deletions to your dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to your State-sponsored dental coverage. You may want to check your dental coverage enrollment through your personnel office and ensure that only eligible dependents are enrolled.

Delta Dental Plans

Delta Premier and Delta Preferred Provider Option (PPO) 1-800-225-3368
www.deltadentalca.org/state

Prepaid Dental Plans

DeltaCare USA 1-800-422-4234
www.deltadentalca.org

Premier Access 1-888-534-3466
www.socdhmo.com

SafeGuard Dental Plan 1-800-880-1800
www.safeguard.net

Western Dental 1-866-859-7525
www.westerndentalbenefits.com/stateofca

The following charts show Delta's new dental premiums that go into effect January 1, 2012.

Delta Dental Premier Basic Plan for Represented Employees:

Coverage	2012 Total Premium	State Share	2012 Employee Share	<u>Employee Share Increase</u>
Employee only	\$54.28	\$40.71	\$13.57	\$0.20
Employee plus one dependent	\$96.48	\$72.36	\$24.12	\$0.36
Employee plus two or more dependents	\$140.48	\$105.36	\$35.12	\$0.52

Delta Dental Premier Enhanced Plan for Excluded Employees:

Coverage	2012 Total Premium
Employee only	\$56.55
Employee plus one dependent	\$113.53
Employee plus two or more dependents	\$160.40

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees:

Coverage	2012 Total Premium	State Share	2012 Employee Share	<u>Employee Share Increase</u>
Employee only	\$46.09	\$34.57	\$11.52	\$0.16
Employee plus one dependent	\$91.39	\$68.54	\$22.85	\$0.34
Employee plus two or more dependents	\$138.46	\$103.85	\$34.61	\$0.51

Prepaid Dental Plan 2012 Premiums

There will be no increase in premiums for SafeGuard, DeltaCare, Western Dental, or Premier Access. The State will continue to pay 100 percent of the premium for employees not in CoBen. For employees in CoBen, the State's share and employee's share do not apply. Therefore, the total dental premium will be deducted from the monthly CoBen allowance on the January 1, 2012 pay warrant (December 2011 pay period). Prepaid dental plans' premiums are reflected below.

Coverage	SafeGuard Standard	SafeGuard Enhanced	DeltaCare* USA	Premier Access	Western Dental
Employee only	\$16.58	\$16.92	\$17.72	\$16.63	\$14.72
Employee plus one dependent	\$26.86	\$28.63	\$29.07	\$26.94	\$24.29
Employee plus two or more dependents	\$37.62	\$35.27	\$40.21	\$37.73	\$34.46

*DeltaCare does not provide services in the following counties:

Butte
Humboldt
Merced
San Luis Obispo
Shasta
Sutter

Union-Sponsored Dental Plans: Bargaining Units 5 and 6

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members; however, members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are CCPOA members.

Employees in BU 5 and 6 should contact their Benefit Trust for information on their union-sponsored dental plan premiums and benefits.

CONSOLIDATED BENEFITS

All excluded employees and employees represented by BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen. The State provides a benefit allowance to purchase health, dental, and vision benefits.

If the total cost of the plans chosen is less than your CoBen allowance, you receive the difference as taxable income. If the total cost of the plans is more than your CoBen allowance, the difference is deducted from your pay warrant pre-taxed.

Employee CoBen Allowance Amounts and Dependent Vesting

Dependent Vesting Criteria

New employees, who have never had State health benefit coverage, may be subject to dependent health vesting. Employees in bargaining units that have contracted for dependent vesting are provided with 50 percent of the employer dependent contribution the first 12 months, and 75 percent of the employer dependent contribution for months 13 through 24. After 24 months, these employees will receive the full employer dependent contribution applicable to their bargaining unit.

Bargaining Unit 2 and 7 employees, who first become eligible for health benefit enrollment on or after July 1, 2006, and BUs 16, 17, 18, and 19 employees, who first become eligible for health benefit enrollment on or after January 1, 2007, are subject to a two-year vesting schedule for the health portion of the employer benefit allowance for dependents.

The following are the CoBen allowance amounts effective January 1, 2012, for employees in BUs 2, 7, 8, 16, 17, 18, and 19.

Unit 18 CoBen Allowance:

Employee:	\$482
Employee plus 1 dependent:	\$946
Employee plus 2 or more dependents:	\$1,241

Unit 18 CoBen Allowance for Employees Subject to Dependent Health Vesting:

	<u>50% Vesting</u>	<u>75% Vesting</u>
Employee, dependent contribution level:	\$482	\$482
Employee plus 1 dependent, dependent contribution level:	\$729	\$838
Employee plus 2 or more dependent, dependent contribution level:	\$893	\$1,067

Units 2, 7, 16, 17, 19 – CoBen Allowance:

Employee:	\$501
Employee plus 1 dependent:	\$986
Employee plus 2 or more dependents:	\$1,291

Units 2, 7, 16, 17, 19 - CoBen Allowance for Employees Subject to Dependent Health Vesting:

	<u>50% Vesting</u>	<u>75% Vesting</u>
Employee, dependent contribution level	\$501	\$501
Employee plus 1 dependent, dependent contribution level	\$759	\$873
Employee plus 2 or more dependent, dependent contribution level	\$929	\$1,110

The following CoBen Unit does not have dependent vesting:

Unit 8 - CoBen Allowance:

Employee:	\$529
Employee plus 1 dependent:	\$1,014
Employee plus 2 or more dependents:	\$1,320

The CoBen allowance for Excluded employees is determined by DPA. Effective January 1, 2012, the CoBen allowances for all excluded employees are as follows:

Excluded Employees - CoBen Allowance

Employee:	\$531
Employee plus 1 dependent:	\$1,027
Employee plus 2 or more dependents:	\$1,335

CoBen Calculator

If you are going to make a change in your benefit choices during the open enrollment period, you may want to use the CoBen Calculator on DPA's Web site, which will help you determine how much will be deducted from your paycheck, or added to it, based on which health and dental plans you choose. You simply click on your health and dental plan choices and how many dependents will be covered.

The calculator automatically computes the total cost of the benefits you select and subtracts them from the CoBen allowance. The result shows whether you will have a monthly benefit deduction or receive extra cash. The CoBen calculator is located at www.dpa.ca.gov (click on Benefits and then click on Consolidated Benefits).

CoBen Cash Option

As of the date of this memo, the following rates will be effective January 1, 2012. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. DPA will notify departments if there are subsequent changes to these rates.

If you have health and dental coverage through another source, you may enroll in the CoBen Cash Option. These amounts are \$155 a month in-lieu of health and dental coverage, and \$130 a month in-lieu of health coverage only. To enroll in a CoBen Cash Option, complete a Consolidated Benefits (CoBen) Cash Enrollment Election (STD. 702) form during open enrollment. For details, refer to the 2012 CoBen handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Publications).

FLEXELECT

If you have health and/or dental coverage through another source, you can opt for cash in-lieu of your State-sponsored benefit. The FlexElect Cash Option is \$128 a month for health and \$12 a month for dental. To enroll in FlexElect Cash Option, complete a Cash Option Enrollment Authorization (STD. 701C) form during open enrollment. FlexElect also offers reimbursement accounts that allow you to use pre-tax salary to pay for dependent care and/or medical care that aren't covered by insurance. To enroll in a FlexElect Reimbursement Account, complete a Reimbursement Account Enrollment Authorization (STD. 701R) form during open enrollment.

For details, refer to the 2012 FlexElect handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Publications).

VISION PROGRAM

The premium paid to Vision Service Plan (VSP) for vision coverage will remain at the same rate of \$8.64 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no

form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

COBRA CONTINUATION COVERAGE ENROLLEES

COBRA enrollees have the same rights as active employees to make allowable changes to their coverage during the annual open enrollment period. Specific instructions will be sent to all COBRA enrollees in dental coverage by DPA prior to the beginning of the open enrollment period.

To learn more about Dental, FlexElect, and CoBen or for questions regarding the 2012 open enrollment period, please contact your personnel office. You may also visit DPAs Web site at www.dpa.ca.gov (click on Benefits).